

June 16, 2009

**BY ELECTRONIC FILING**

Ms. Marlene Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, DC 20554

**Re: Ex Parte Letter of TeleQuality - WC Docket No. 02-60**

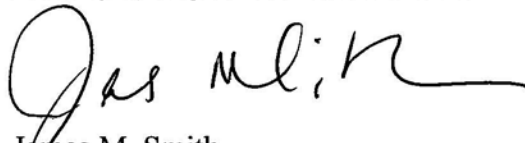
Dear Ms. Dortch:

On June 15, 2009, Jeffery Reynolds, President of TeleQuality Communications, Inc. ("TeleQuality"), and John Dodge and the undersigned, counsel to TeleQuality, held separate meetings with Jennifer Schneider, Legal Advisor to Acting Chairman Copps; Nick Alexander, Legal Advisor to Commissioner McDowell; Mark Stone, Legal Advisor to Commissioner Adelstein; and Jennifer McKee, Thomas Buckley, and Alexander Minard of the Wireline Competition Bureau, to discuss TeleQuality's "Petition for Waiver and Emergency Request for Expedited Stay and/or Special Relief" in the above-referenced proceeding. In these meetings TeleQuality's representatives discussed and referred to the matters set forth in that Petition and in the attached handout.

Please direct any correspondence concerning this matter to the undersigned counsel.

Sincerely,

DAVIS WRIGHT TREMAINE LLP



James M. Smith  
Counsel for TeleQuality Communications, Inc.

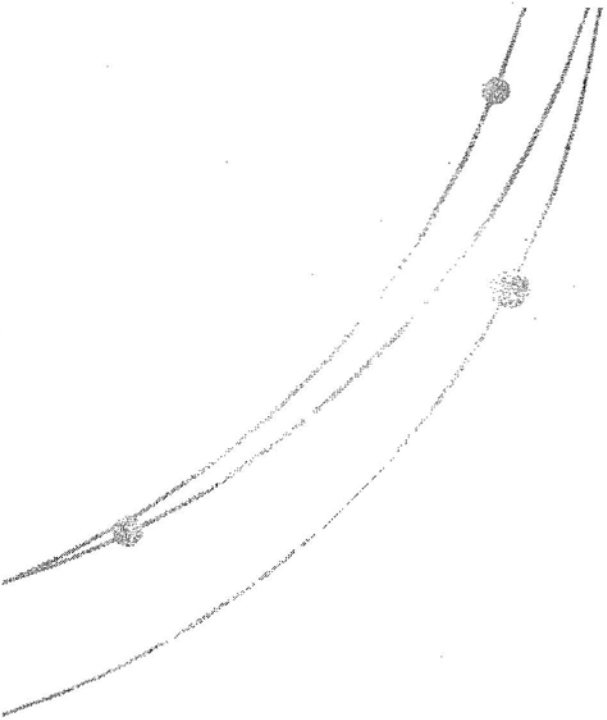
cc (by e-mail): Jennifer Schneider, Esq.  
Nick Alexander, Esq.

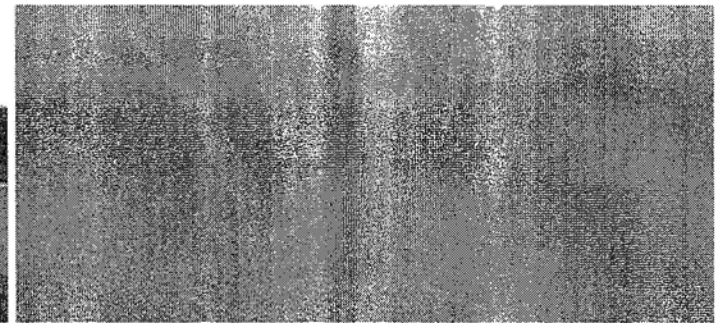
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Mark Stone, Esq.  
Jennifer McKee, Esq.  
Thomas Buckley, Esq.  
Alexander Minar, Esq.  
Best Copy and Printing, Inc.

# *TeleQuality Communications Inc.*

June 15, 2009 Washington, DC



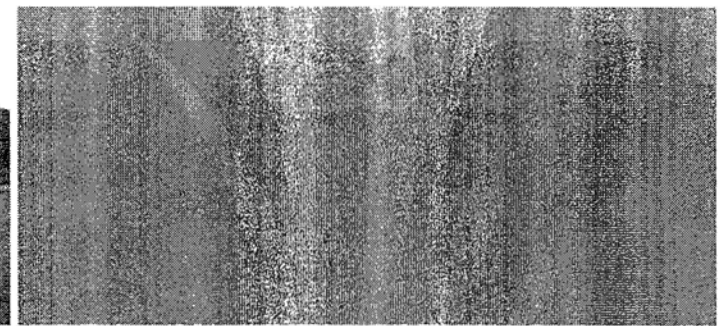


## TeleQuality Profile

- Carrier created late 2006 specifically to serve Rural Health Care providers (HCPs)
- All but 2 of TeleQuality's (60+) customers access the Universal Service Funding for Rural Health
- TeleQuality's underlying carriers (resold or interconnected):

AT&T  
Verizon  
Qwest  
Sprint

CenturyTel  
Frontier  
Embarq  
Level 3



## TeleQuality's Services Beyond the Circuit

Assist HCPs with Telecom Network Needs Analysis and Design

Handle all provisioning and service issues, thereby simplifying the Telecom Industry work for HCPs

Assist the HCPs with the administration of USAC paperwork

## *The Problem (Why we are here)*

- TeleQuality installs almost exclusively high speed INTRASTATE circuits for use between sites belonging to a health care organization.
- Until October 2008 TQ was, by formula, *de minimis* (USF obligation below \$10,000 annually)
- TQ's 3<sup>rd</sup> Quarter 2008 filing elevated it to "Contributor Status" (meaning it would be invoiced)

## *The Problem (Why we are here)*

- Upon attaining “contributor status”, TQ started being “netted”\* and made whole (reimbursed), by USAC policy, in November of a given year.
- Prior to this, TQ was reimbursed twice per month, on average.

\*netted refers to the process of offsetting USF obligations and reimbursements

## *The Problem (Why are we here)*

- TQ has been put in a “go out of business” position.
- USAC policy requires a carrier to “credit” a customer before invoicing USAC.
- Length of time between crediting the customer and USAC reimbursement requires TQ to “front” money for 6 to 9 months (or more).



# Our Request

(Request for Waiver and Emergency Special Relief / Order to Hold in Abeyance, WC Dkt. 02-60 (filed 5/27/09))

- Return TQ to a twice per month reimbursement schedule.
- Needed to restore viable balance to TQ cash flow/ business processes – payments to underlying carriers, invoicing customers, crediting customers for USF support, invoicing USAC, and receiving reimbursements from USAC.
- No unintended consequences to this change: only a return to status quo as of October 2008.

# Thank You

Because TeleQuality is in a unique position to understand the perspectives of the various stakeholders in the RHCD program, TQ stands ready to discuss ways to make the program more desirable and “customer friendly”.

